

Message Text

UNCLASSIFIED

PAGE 01 MAPUTO 00131 01 OF 02 101413Z

ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02
INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15
USIA-15 AID-05 EB-08 FRB-01 TRSE-00 XMB-04 OPIC-06
CIEP-02 LAB-04 SIL-01 OMB-01 AGRE-00 IGA-02 /111 W
-----101746Z 124772 /43

R 100820Z FEB 77

FM AMEMBASSY MAPUTO

TO SECSTATE WASHDC 5481

INFO AMEMBASSY CAPE TOWN

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY PRETORIA

USDOC WASHDC UNN

UNCLAS SECTION 1 OF 2 MAPUTO 0131

CAPE TOWN FOR EMBASSY

E.O. 11652: N/A

TAGS: EGEN, ECON ,PGOV, PINT, MZ

SUBJECT: FRELIMO THIRD CONGRESS DISCUSSES ECONOMY AND
DEVELOPMENT PLANS

SUMMARY: GPRM MINISTER OF DEVELOPMENT AND ECONOMIC PLANNING
MARCELINO DOS SANTOS REVIEWED STATE OF MOZAMBIQUE'S ECONOMY
AND DISCLOSED DEVELOPMENT PLANS TO FRELIMO THIRD CONGRESS.
DOS SANTOS ATTRIBUTED CURRENT ECONOMIC CRISIS TO GPRM
FAILURE TO PROVIDE PROPER DIRECTION IN FACE OF ECONOMIC
DISORGANIZATION, EXODUS OF TECHNICIANS, AND "FINANCIAL
INCAPACITY" HE ACKNOWLEDGED THAT GOVERNMENT INABILITY TO MEET
CRISIS HAS LED TO DECLINE IN PRODUCTION AND PRODUCTIVITY,
WHICH IN TURN LED TO SHORTAGE OF RAW MATERAILS AND BASIC
FOODSTUFFS, INFLATION, INCREASED INDEBTEDNESS AND BANKRUPTCY OF
FIRMS, WITH CONSEQUENT INCREASE IN TRADE DEFICIT AND LOWER BUDGET
RECEIPTS FOR GPRM. FUTURE GPRM ECONOMIC EFFORTS WILL BE DIRECTED
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MAPUTO 00131 01 OF 02 101413Z

TOWARDS AGRICULTURE AND INDISTRY, WITH PRIORITY
GIVEN TO ESTABLISHMENT OF EFFECTIVE NATIONAL INTERNAL COMMERCE
AND DISTRIBUTION SYSTEM. OBJECTIVE WILL BE TO MEET 1973 PRODUCTION
LEVELS BY 1980. PRIVATE SECTOR AND FOREIGN CAPITAL WILL HAVE
ROLE TO PLAY. END SUMMARY.

1. REVIEW OF ECONOMIC SITUATION: DOS SANTOS ADMITTED ECONOMY

IN BAD SHAPE AND ACKNOWLEDGED THAT GPRM IN PART TO BLAME. HE SAID GOVERNMENT APPARATUS HAS BEEN IN SUCH AN ENBRYONIC STATE THAT IT HAS NOT BEEN ABLE TO PROVIDE EFFECTIVE DIRECTION TO GOVERNMENT-CONTROLLED FIRMS NOR TO THE ECONOMY IN GENERAL. HE ADMITTED THA GPRM HAS SPRREAD ITSELF TOO THIN, THAT PRIORITIES AND PROGRAMS HAVE NOT BEEN CLEARLY DEFINED, AND THAT COMMUNAL VILLAGE PROGRAM FOR AGRICULTURAL DEVELOPMENT HAD NOT BEEN EFFECTIVELY IMPLEMENTED. ATPTHE SAME TIME, DOS SANTOS DEFENDED GPRM NATIONALIZATIONS OF SOCIAL SERVICES AND REALESTATE. HE CITED PARTICIPATION OF WORKERS IN MANAGEMENT OF GOVERNMENT-CONTROLLED FIRMS AS ONE OF SUCCESSES. CAPITALISM IS NO LONGER IN COMMAND IN MOZAMBIQUE, ALTHOUGH IT STILL OVERSHADOWS THE STATE SECTOR IN TERMS OF NUMBERS OF FIRMS AND PRODUCTION VOLUME, HE SAID.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 MAPUTO 00131 02 OF 02 101502Z
ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02
INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15
USIA-15 AID-05 EB-08 FRB-01 TRSE-00 XMB-04 OPIC-06
CIEP-02 LAB-04 SIL-01 OMB-01 AGRE-00 IGA-02 /111 W
-----101745Z 125382 /43

R 100820Z FEB 77
FM AMEMBASSY MAPUTO
TO SECSTATE WASHDC 5482
INFO AMEMBASSY CAPE TOWN
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY PRETORIA
USDOC WASHDC UNN

UNCLAS SECTION 2 OF 2 MAPUTO 0131

CAPE TOWN FOR EMBASSY

2. GENERAL ECONOMIC DEVELOPMENT OBJECTIVES: LONG RANGE
OBJECTIVES OF GPRM ECONOMIC DEVELOPMENT ARE TO:
--ESTABLISH THE BASES FOR THE INDUSTRIALIZATION OF AGRICULTURE:
--ACCELERATE THE PROCESS OF INDUSTRIALIZATION AND BUILD
HEAVY INDUSTRY: AND
--DEVELOP AND CONSOLIDATE THE LADERSHIP ROLE OF THE STATE

IN THE ECONOMY.

3. GENERAL ORIENTATIONS: AGRICULTURE WILL RECEIVE EMPHASIS IN FIRST PHASE OF DEVELOPMENT, HEAVY INDUSTRY IN THE SECOND. ARTESANS AND SMALL BUSINESSMEN WILL BE PROVIDED INCENTIVES TO VOLUNTARILY PARTICIPATE IN COOPERATIVES. FOREIGN CAPITAL HAS A ROLE TO PLAY AS LONG AS IT CONFORMS TO THE PRINCIPLES AND PRIORITIES OF THE DEVELOPMENT PLANS. FISCAL POLICY OF GPRM WILL CONTINUE TO SEEK A BALANCED
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MAPUTO 00131 02 OF 02 101502Z

BUDGET, AND AUSTERITY WILL BE EMPHASIZED. THE CENTRAL ECONOMIC OBJECTIVE WILL BE TO RETURN TO 1973 PRODUCTION LEVELS BY 1980.

4. SPECIFIC SECTORS TO RECEIVE ATTENTION: (A) GOVERNMENT: NATIONAL SUPPLY AGENCY IS TO BE ESTABLISHED, AND SMALLER AGENCIES SET UP TO DIRECT STATE-CONTROLLED FIRMS AND SET QUOTAS. NATIONAL AGENCY FOR COMMUNAL VILLAGE DEVELOPMENT TO BE CREATED IN 1977. BY 1980, PLANNING AND STATISTICS AGENCIES ARE TO BE CREATED. NATIONAL CENSUS TO BE TAKEN IN 1980. (B) AGRICULTURE: GOAL IS TO MEET DOMESTIC NEEDS THROUGH INTERNAL PRODUCTION BY 1980. COMMUNAL VILLAGE PROGRAM TO BE INTENSIFIED. FRAMEWORK FOR DEVELOPMENT OF COOPERATIVES TO BE SET UP, AND TECHNICAL ASSISTANCE AND CONCESSIONAL LOANS PROVIDE. (C) INDUSTRY: PRODUCTION OF NECESSARY CONSUMER GOODS TO BE EMPHASIZED, ESPECIALLY TEXTILES, CLOTHING, AND SHOES. 1973 LEVELS OF PRODUCTION TO BE SURPASSED IN 1980 FOR TEXTILES, CLOTHING, SHOES COAL MINING, SUGAR PROCESSING, CASHEW NUT PROCESSING, BEER/SOFT DRINK INDUSTRY, AND CEMENT. INDUSTRIALIZATION PLAN FOR COUNTRY TO BE DEFINED BY 1980. MANUFACTURE OF GOODS RELATED TO AGRICULTURE TO BE EMPHASIZED. (D) COMMERCE: A NEW RURAL COMMERCIAL/ DISTRIBUTION NETWORK IS TO REPLACE INDIVIDUAL GENERAL STORE OPERATORS. DISTRIBUTION NETWORK CONNECTING MAJOR URBAN CENTERS TO BE ESTABLISHED BY 1980. GOVERNMENT WILL CONCENTRATE ON ESTABLISHMENT OF REGIONAL STORAGE AND WHOLESALE FACILITIES. CONSUMER COOPERATIVES ARE TO BE CREATED. PRIVATE COMMERCE WILL ONLY BE ALLOWED OUTSIDE THE "LIBERATED ZONES (NORTHERN PART OF COUNTRY CONTROLLED BY FRELIMO DURING LIBERATION STRUGGLE)" AND NOT IN COMMUNAL VILLAGES. MORE URBAN MARKET CENTERS TO BE ESTABLISHED WHICH WILL HAVE GREATER CONTROL OVER PROFITEERING AND CONSUMER PRICES. (E) FISHING: COUNTRY TO BE SELF-SUFFICIENT IN THIS SECTOR BY 1980. SHRIMP FISHING FOR EXPORT WILL BE DEVELOPED. (F) TOURISM: GPRM WILL CONTINUE TO GIVE PRIORITY TO
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MAPUTO 00131 02 OF 02 101502Z

DEVELOPMENT OF INTERNAL TOURISM. (G) SUBSOIL RESOURCES:
INVENTORYING, PROSPECTING, AND GEOLOGICAL STUDIES OF
SUBSOIL RESOURCES WILL BE EMPHASIZED, ESPECIALLY FOR
RESOURCES PERTAINING TO THE DEVELOPMENT OF HEAVY INDUSTRY.

5. ANALYSIS AND COMMENTS TO FOLLOW BY AIRGRAM.
DE PREE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT PROGRAMS, ECONOMIC ESTIMATES, ECONOMIC PROGRAMS, CENTRAL GOVERNMENT
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MAPUTO00131
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770048-0381
Format: TEL
From: MAPUTO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770255/aaaabwcm.tel
Line Count: 180
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 995474c8-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3355512
Secure: OPEN
Status: NATIVE
Subject: FRELIMO THIRD CONGRESS DISCUSSES ECONOMY AND DEVELOPMENT PLANS SUMMARY: GPRM MINISTER OF DEVELOPMENT AND ECONOMIC
TAGS: EGEN, ECON, PGOV, PINT, MZ
To: STATE
Type: TE
vdkgvkey: odbcr://SAS/SAS.dbo.SAS_Docs/995474c8-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009